



February 20, 2009

SENATE BILL No. 393

DIGEST OF SB 393 (Updated February 19, 2009 9:11 am - DI 104)

Citations Affected: IC 21-13.

Synopsis: Primary care physician loan forgiveness program. Establishes the primary care physician loan forgiveness program and the primary care physician loan forgiveness fund. Specifies qualifications to receive a student loan forgiveness payment from the fund. (The introduced version of this bill was prepared by the health finance advisory committee)

Effective: July 1, 2009.

Simpson

January 8, 2009, read first time and referred to Committee on Health and Provider Services.
February 19, 2009, amended, reported favorably — Do Pass.

C
o
p
y

SB 393—LS 6099/DI 14+



February 20, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

SENATE BILL No. 393

A BILL FOR AN ACT to amend the Indiana Code concerning higher education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 21-13-1-5, AS ADDED BY P.L.144-2007,
2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2009]: Sec. 5. "Fund":

4 (1) for purposes of IC 21-13-2, refers to the minority teacher or
5 special education services scholarship fund established by
6 IC 21-13-2-1;

7 (2) for purposes of IC 21-13-3, refers to the nursing scholarship
8 fund established by IC 21-13-3-1;

9 (3) for purposes of IC 21-13-4, refers to the National Guard
10 tuition supplement program fund established by IC 21-13-4-1;

11 **and**

12 (4) for purposes of IC 21-13-5, refers to the National Guard
13 scholarship extension fund established by IC 21-13-5-1; **and**

14 (5) for purposes of IC 21-13-6, refers to the primary care
15 physician loan forgiveness fund established by IC 21-13-6-3.

16 SECTION 2. IC 21-13-6 IS ADDED TO THE INDIANA CODE AS
17 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY

SB 393—LS 6099/DI 14+



C
o
p
y

1, 2009]:

Chapter 6. Primary Care Physician Loan Forgiveness Program

Sec. 1. As used in this chapter, "primary care physician" means a physician who practices in any of the following areas:

- (1) Family practice.
- (2) Pediatrics.
- (3) Obstetrics and gynecology.
- (4) Internal medicine.

Sec. 2. (a) The primary care physician loan forgiveness program is established.

(b) The commission shall administer the primary care physician loan forgiveness program.

Sec. 3. (a) The primary care physician loan forgiveness fund is established to encourage and promote qualified physicians to pursue a medical career in Indiana.

(b) The fund consists of the following:

- (1) Appropriations by the general assembly.
- (2) Gifts to the fund.

Sec. 4. (a) The commission shall administer the fund.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds. Interest that accrues from those investments shall be deposited in the fund.

(d) Money in the fund at the end of a fiscal year does not revert to the state general fund but remains available to be used to provide money for student loan forgiveness payments under this chapter.

Sec. 5. (a) The money in the fund must be used to provide annual student loan forgiveness payments to qualified primary care physicians who are residents of Indiana and practice medicine in Indiana.

(b) Subject to section 8 of this chapter, a student loan forgiveness payment awarded in a particular year under this section is equal to the lesser of the following amounts:

- (1) The balance of the physician's total amount of student loans.
- (2) Five thousand dollars (\$5,000).

(c) A primary care physician is eligible for a student loan forgiveness payment under this section each year that the individual meets the qualifications under section 6 of this chapter.

**C
o
p
y**



1 **Sec. 6. To qualify for a student loan forgiveness payment from**
 2 **the fund, an individual must:**

- 3 (1) be a resident of Indiana;
 4 (2) be licensed as a physician under IC 25-22.5;
 5 (3) practice as a primary care physician;
 6 (4) conduct the majority of the individual's medical practice
 7 in Indiana;
 8 (5) have an outstanding student loan balance at the beginning
 9 of the calendar year; and
 10 (6) be approved by the commission.

11 **Sec. 7. The medical education board shall annually make**
 12 **available to the commission the most recent information**
 13 **concerning the number of primary care physicians who are serving**
 14 **as medical residents in Indiana.**

15 **Sec. 8. The commission shall annually allocate the available**
 16 **money in the fund to each primary care physician approved under**
 17 **this chapter in proportion to the total number of primary care**
 18 **physicians approved under this chapter.**

19 **Sec. 9. Each:**

- 20 (1) primary care physician who applies under this chapter;
 21 and
 22 (2) primary care physician approved under this chapter;
 23 **shall provide to the commission any information that the**
 24 **commission determines is necessary to administer this chapter.**

C
O
P
Y



COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 393, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 7, begin a new paragraph and insert:
 "SECTION 1. IC 21-13-1-5, AS ADDED BY P.L.144-2007, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. "Fund":

(1) for purposes of IC 21-13-2, refers to the minority teacher or special education services scholarship fund established by IC 21-13-2-1;

(2) for purposes of IC 21-13-3, refers to the nursing scholarship fund established by IC 21-13-3-1;

(3) for purposes of IC 21-13-4, refers to the National Guard tuition supplement program fund established by IC 21-13-4-1;
 and

(4) for purposes of IC 21-13-5, refers to the National Guard scholarship extension fund established by IC 21-13-5-1; and

(5) for purposes of IC 21-13-6, refers to the primary care physician loan forgiveness fund established by IC 21-13-6-3.

SECTION 2. IC 21-13-6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 6. Primary Care Physician Loan Forgiveness Program

Sec. 1. As used in this chapter, "primary care".

Page 1, delete lines 14 through 17, begin a new paragraph and insert:

"Sec. 2. (a) The primary care physician loan forgiveness program is established.

(b) The commission shall administer the primary care physician loan forgiveness program.

Sec. 3. (a) The primary care physician loan forgiveness fund is established to encourage and promote qualified physicians to pursue a medical career in Indiana.

(b) The fund consists of the following:

(1) Appropriations by the general assembly.

(2) Gifts to the fund.

Sec. 4. (a) The commission shall administer the fund.

(b) The expenses of administering the fund shall be paid from money in the fund.

SB 393—LS 6099/DI 14+



C
o
p
y

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds. Interest that accrues from those investments shall be deposited in the fund.

(d) Money in the fund at the end of a fiscal year does not revert to the state general fund but remains available to be used to provide money for student loan forgiveness payments under this chapter.

Sec. 5. (a) The money in the fund must be used to provide annual student loan forgiveness payments to qualified primary care physicians who are residents of Indiana and practice medicine in Indiana.

(b) Subject to section 8 of this chapter, a student loan forgiveness payment awarded in a particular year under this section is equal to the lesser of the following amounts:

- (1) The balance of the physician's total amount of student loans.
- (2) Five thousand dollars (\$5,000).

(c) A primary care physician is eligible for a student loan forgiveness payment under this section each year that the individual meets the qualifications under section 6 of this chapter.

Sec. 6. To qualify for a student loan forgiveness payment from the fund, an individual must:

- (1) be a resident of Indiana;
- (2) be licensed as a physician under IC 25-22.5;
- (3) practice as a primary care physician;
- (4) conduct the majority of the individual's medical practice in Indiana;
- (5) have an outstanding student loan balance at the beginning of the calendar year; and
- (6) be approved by the commission.

Sec. 7. The medical education board shall annually make available to the commission the most recent information concerning the number of primary care physicians who are serving as medical residents in Indiana.

Sec. 8. The commission shall annually allocate the available money in the fund to each primary care physician approved under this chapter in proportion to the total number of primary care physicians approved under this chapter.

Sec. 9. Each:

- (1) primary care physician who applies under this chapter;
- and

**C
O
P
Y**



**(2) primary care physician approved under this chapter;
shall provide to the commission any information that the
commission determines is necessary to administer this chapter."**

Delete pages 2 through 3.

and when so amended that said bill do pass.

(Reference is to SB 393 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 11, Nays 0.

**C
o
p
y**

